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The Honorable Frederick P. Corbit  
Chapter 11

6 **UNITED STATES BANKRUPTCY COURT**  
7 **EASTERN DISTRICT OF WASHINGTON**

8  
9 In re:

10 GIGA WATT INC.,

11 Debtor  
12  
13  
14

Case No. 18-03197-FPC

**MOTION TO REQUEST  
RECONSIDERATION OF ORDER  
APPROVING SALE OF TNT  
FACILITY AND TRAILER  
EQUIPMENT FREE AND CLEAR OF  
LIENS**

15  
16 **NOTICE**

17 **PLEASE TAKE NOTICE** that creditor Jun Dam, in propria persona, has moved for an order  
18 granting a request for reconsideration of the Order Approving Sale of TNT Facility and Trailer  
19 Equipment Free and Clear of Liens. **IF YOU OPPOSE** the Motion you must file your written  
20 response with the court clerk, and request a hearing at P.O. Box 2164, W. 904 Riverside, Room  
21 321, Spokane, WA 99210 on or before the response date, which is June 30th, 2020. **YOU MUST**  
22 **ALSO** serve a copy of any objection on the undersigned at 237 Kearny St. #9096, SF, CA 94108;  
23 on the Chapter 11 Trustee; and on the Office of the United States Trustee. **IF NO RESPONSE IS**  
24 **TIMELY FILED AND SERVED**, the Court may, in its discretion, **GRANT THE MOTION**  
25 **WITHOUT A HEARING AND WITHOUT FURTHER NOTICE.**  
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1  
2 **MOTION**

3 **COMES NOW** creditor Jun Dam, in propria persona, moves to request the Court for  
4 reconsideration of the Order Approving Sale of TNT Facility And Trailer Equipment Free and  
5 Clear of Liens.  
6

7 **BACKGROUND**

8 Debtor is a hosting business that sold roughly \$20 million in WTT tokens and over \$27 million in  
9 mining machines to customers. WTT tokens effectively represent prepaid hosting access; each  
10 token represents the right to use the Giga Watt processing center's capacity, rent-free for 50 years,  
11 to accommodate 1 Watt's worth of mining equipment power consumption. These WTT token  
12 holder and miner owner customers are the primary creditors in this case. Debtor filed for  
13 bankruptcy on Nov 19th, 2018. The Chapter 11 Trustee restarted mining operations in Moses  
14 Lake in March, 2019 and TNT Facilities in August, 2019 using customer machines and facilities.  
15 The Grant County PUD increased electricity rates for cryptocurrency miners making mining at  
16 the Moses Lake facilities largely unprofitable. The Douglas County PUD is increasing electricity  
17 rates more gradually for cryptocurrency mining companies. Therefore, TNT Facilities will  
18 remain profitable and valuable for a number of years. There are three types of mining machines  
19 being used to mine various cryptocurrencies. The Antminer S9 machine is used to mine Bitcoin;  
20 the Antminer L3 machine is used to mine Litecoin; and the Alphaminer GPUs are used to mine  
21 Ethereum, but can be used to mine other less known cryptocurrencies as well. The configuration  
22 of mining machines can drastically affect profitability. The Chapter 11 Trustee moved to approve  
23 the TNT Facility sale and the Order was granted May 19th, 2020.  
24  
25  
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2 **ARGUMENT**  
3

4 **A. The TNT Facility can operate at significant profitability**

5 The TNT Facility can easily be made significantly profitable with a simple reconfiguration of  
6 operations. The debtor estate currently has about 1,200 GPU miners that are inoperational at  
7 Moses Lake and moving those mining machines to TNT Facilities would enable the estate to  
8 generate in excess of \$100k per month and over \$1.4 million over the year with no significant  
9 capital investment other than the cost to move GPU machines located at Moses Lake to TNT  
10 Facility. Mining machines do not all have to be moved at once to achieve significant  
11 profitability. Although there are risks in any business, projections of net cash flow using GPU  
12 machines at the TNT Facility could be over \$5 million over 4.5yrs without any further capital  
13 investment. The TNT Facility should either be kept as a profitable going concern or sold at a  
14 considerably higher price. (See **Exhibit A**)  
15

16 **B. The consideration received by the estate for TNT Facility sale is less than salvage value**  
17 **and the sale will likely result in irreparable harm to the estate.**

18 Upon an analysis of the estimated inventory at TNT Facilities and especially all the mining  
19 machines that are in dispute as non-estate property, there is a high likelihood the estate will owe  
20 more money to mining machine owners than the consideration the estate received. An analysis of  
21 the inventory of machines at TNT shows the total current value of machines after shipping costs  
22 to be roughly \$317,000. Hence the Trustee sold the TNT Facilities, the power & property lease  
23 and mining machines for \$200k which is less than the value of the mining machines alone.  
24 Hence the unreasonably low TNT sale price will cause irreparable harm to the estate. (See  
25 **Exhibit B**)  
26

1  
2 **C. Lawsuit being filed against Trustee and Trustee counsel**

3 Under Federal Rule of Civil Procedure 60(b)(3) and Rule 9024, orders may be reconsidered due  
4 to “fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by  
5 an opposing party.” Creditor Jun Dam is filing a lawsuit that claims in part that the Trustee and  
6 Trustee Counsel misrepresented to creditors and the Court about the urgency to sell TNT.

7 Creditor Dam also claims Trustee and Trustee Counsel have breached their fiduciary duty to him  
8 and the estate and demonstrated gross negligence in hastily selling the TNT Facility without  
9 properly marketing the property, without a proper auction process and without considering the  
10 operational profitability of TNT. Their motion for the sale and bidding under shortened time was  
11 grossly negligent. The haste in selling TNT is the reason that the estate is receiving less than  
12 salvage value. Instead, a proper marketing process should have been conducted and any decision  
13 to sell should have been weighed against the potential profitability of TNT Facilities.  
14

15 **D. WTT token holder asserts lease & power rights to TNT & Moses Lake facilities**

16 Creditor Jun Dam, one of the largest WTT token holders, asserts lease and power rights to TNT  
17 Facilities under § 365(h), hence the sale of the TNT Facility can not be made free and clear. In  
18 re Zota Petroleums, LLC, 482 B.R. 154 (Bankr. E.D. Va. 2012) a case that involved a ‘free and  
19 clear’ sale under § 365(f), a buyer received a leased property from a Chapter 11 debtor. The  
20 debtor simultaneously assumed and assigned the lease and rejected the sublease. The subtenant,  
21 however, opted under section 365(h) of the Bankruptcy Code to retain its rights under the  
22 sublease and remain a subtenant. The bankruptcy court held that the free and clear sale under  
23 section 363(f) did not extinguish the rights of the subtenant under section 365(h) to continue to  
24 pay rent and remain in the property. Thus, the “free and clear” buyer took the lease subject to the  
25 rights of the subtenant.  
26

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2  
3 **CONCLUSION**  
4

5 **WHEREFORE**, upon new findings of fact and new considerations of law the Court should enter  
6 an order to reconsider the Order Approving Sale of TNT Facility And Trailer Equipment Free and  
7 Clear of Liens.  
8  
9

10 Dated this 1st day of June, 2020  
11

12 /s/ Jun Dam  
13

14 Jun Dam (*Pro Se*)

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16 San Francisco, CA 94108

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**Exhibit A**  
(TNT Profitability Analysis)

User-Definable Inputs:	
Capacity Utilization (0=Current Mix, 1=Max GPU, 2=Max S19 Pro):	1
BTC Halvening Adjustment (0 = No Adjustment, 1 = Adjust):	0

BTC Price: \$9,658.39  
LTC Price: \$47.45  
ETH Price: \$243.19

\* Max options assumes 3.3 MW in use

TNT Mining Site Valuation - Summary

	07/01/20	01/01/21	07/01/21	01/01/22	07/01/22	01/01/23	07/01/23	01/01/24	07/01/24	Total
Miner Revenue:	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448	\$182,448
Effective Power Rate:	\$0.0298	\$0.0324	\$0.0354	\$0.0386	\$0.0422	\$0.0461	\$0.0504	\$0.0552	\$0.0604	\$0.0604
Power Cost:	-\$40,492	-\$44,135	-\$48,142	-\$52,550	-\$57,399	-\$62,732	-\$68,599	-\$75,053	-\$82,152	-\$82,152
Total Monthly OPEX:	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000
Mining Site Rent:	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600	-\$11,600
Monthly Net:	\$120,356	\$116,713	\$112,706	\$108,298	\$103,449	\$98,116	\$92,249	\$85,795	\$78,696	\$78,696
Semi-Annual Net:	\$722,138	\$700,280	\$676,236	\$649,789	\$620,696	\$588,694	\$553,492	\$514,770	\$472,176	\$5,498,271
Earnings Multiple:	2.0									
Valuation at X Times Net Earnings:	\$1,444,275	\$1,400,560	\$1,352,473	\$1,299,577	\$1,241,392	\$1,177,389	\$1,106,985	\$1,029,540	\$944,352	

Miners Currently in Use (Trustee-Provided Counts)

	Daily Per Miner Revenue	Number Of Miners	Total Monthly Revenue	Current Allocated Power Cost	% of Rev.
S9:	\$1.19		\$0	\$0	
S19 Pro:	\$9.72		\$0	\$0	
L3+:	\$0.73		\$0	\$0	
GPU Rigs:	\$4.34	1,400	\$182,448	-\$40,492	
Grand Total Monthly Revenue:			\$182,448	-\$40,492	

Power Cost Calculation

MH/S Hashrate	Watts Per Miner	Total Megawatts	%
S9:	13,500,000	1,320	0.00%
S19 Pro:	110,000,000	3,250	0.00%
L3+:	504	800	0.00%
GPU Rigs:	240	1,350	100.00%
Grand Total Megawatts In Use:		1.9	
Grand Total Kilowatts In Use:		1890.0	
Total Kilowatt Hours Per Month:		1,360,800	

3.0 <- Total Available Megawatts

Douglas County Rate Program

Energy Charge - First 25,000 KWH:	Rate	+10%	+10%	+10%	+10%	+10%	+10%	+10%	+10%
Energy Charge - 25,001 KWH to 49,999 KWH:	\$0.0256	\$0.0282	\$0.0310	\$0.0341	\$0.0375	\$0.0412	\$0.0454	\$0.0499	\$0.0549
Energy Charge - 50,000 KWH and over:	\$0.0264	\$0.0290	\$0.0319	\$0.0351	\$0.0387	\$0.0425	\$0.0468	\$0.0514	\$0.0566
	\$0.0268	\$0.0295	\$0.0324	\$0.0357	\$0.0392	\$0.0432	\$0.0475	\$0.0522	\$0.0574

Exhibit A - TNT Profitability Analysis

Energy Charge – First 25,000 KWH: Energy Charge – 25,001 KWH to 49,999 KWH: Energy Charge – 50,000 KWH and over:	% Total KWH	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
		1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
		96.33%	96.33%	96.33%	96.33%	96.33%	96.33%	96.33%	96.33%	96.33%
Effective Energy Charge Rate:		\$0.0268	\$0.0294	\$0.0324	\$0.0356	\$0.0392	\$0.0431	\$0.0474	\$0.0522	\$0.0574
Monthly Power Cost Calculation										
Basic Charge:		-\$14	-\$14	-\$14	-\$14	-\$14	-\$14	-\$14	-\$14	-\$14
Energy Rate Charge:		-\$36,429	-\$40,072	-\$44,080	-\$48,488	-\$53,336	-\$58,670	-\$64,537	-\$70,991	-\$78,090
Demand Charge:		-\$4,048	-\$4,048	-\$4,048	-\$4,048	-\$4,048	-\$4,048	-\$4,048	-\$4,048	-\$4,048
Total Monthly Power Cost:		-\$40,492	-\$44,135	-\$48,142	-\$52,550	-\$57,399	-\$62,732	-\$68,599	-\$75,053	-\$82,152
Grand Total Effective Rate Per KW/h:		\$0.0298	\$0.0324	\$0.0354	\$0.0386	\$0.0422	\$0.0461	\$0.0504	\$0.0552	\$0.0604

Miner Mix Variations

Trustee Miner Counts

	Number Of Miners
S9:	1,059
S19 Pro:	0
L3+:	470
GPU Rigs:	114

Full Capacity Miner Counts – GPU Only

	Number Of Miners	MW
S9:		
S19 Pro:		
L3+:		
GPU Rigs:	2,222	3.0

Full Capacity Miner Counts – S19 Pro Only

	Number Of Miners	MW
S9:		
S19 Pro:	923	3.0
L3+:		
GPU Rigs:		



**Exhibit B**

(Estimated Value Analysis - TNT Mining Machines)

**TNT SALE GW ESTATE MINERS**

<u>Type</u>	<u>Total</u>	<u>Recent Ebay Sale Price</u>	<u>Total</u>	<u>Minus Shipping</u>	<u>Net</u>
S9	1,274	\$50	\$63,700	-\$25,480	\$38,220
L3	731	\$25	\$18,275	-\$14,620	\$3,655
GPU	476	\$550	\$261,800	-\$9,520	\$252,280
d3	625	\$0	\$0		\$0
assorted unkw	200	\$126	\$25,200	-\$4,000	\$21,200
assorted l3 s9	50	\$38	\$1,900	-\$1,000	\$900
assorted d3 l3 s9	50	\$38	\$1,900	-\$1,000	\$900
doa gpu miners	30	\$20	\$600	-\$600	\$0
doa asics	200	\$20	\$4,000	-\$4,000	\$0
unknown asics	80	\$20	\$1,600	-\$1,600	\$0
	3,716		<b>\$372,775</b>	<b>-\$55,620</b>	<b>\$317,155</b>

<u>Shipping Units</u>	<u>Per Unit</u>	<u>Total</u>
1	\$30	\$30
10	\$15	\$150
50	\$10	\$500
61		\$680

**Average Cost Per Unit:** \$11  
**Seems low so make it \$20:**

Date: May 11th, 2020

Estimate: 50 machines per pallet